



Related Medlearn Matters Article #: MM3809

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Related CR #: CR 3809

Teaching Adjustment for the Inpatient Psychiatric Facility (IPF) Prospective Payment System (PPS)

Keywords

Adjustment, Teaching, IPF, PPS, MM3809, CR3809, Pricer, Software, FISS

Provider Types Affected

Providers billing Medicare Fiscal Intermediaries (FIs)

Key Points

- The effective date for instruction is cost reporting periods beginning on or after January 1, 2005.
- CMS will modify the Pricer software and Fiscal Intermediary Standard System (FISS) used by FIs to process claims so that the portion of the Federal payment attributable to the teaching adjustment can be settled appropriately on the cost report.
- MM 3809 seeks to create a separate output from the Medicare claims processing system (PRICER) for the teaching adjustment for IPFs so that the teaching amounts may be settled at cost report.
- The teaching adjustment is calculated as follows:
 1. Take the product of the wage adjusted base rate and the applicable teaching, rural, DRG, comorbidity, and age adjustments.
 2. Take the product of the wage adjusted base rate and the applicable rural, DRG, comorbidity, and age adjustments.
 3. Take the difference of these two products (Step 1 minus Step 2).
 4. Calculate and sum the variable per diem amounts for the product in Step 2 to calculate the federal payment net of the teaching adjustment amount.
 5. Calculate and sum the variable per diem amounts for the difference in Step 3 to calculate the portion of the federal payment attributable to the teaching adjustment.
 6. To obtain the total federal payment necessary for outlier calculations, etc., add Steps 4 and 5 together.

- Step 5 alone is the teaching adjustment portion of the federal payment, and can be separately identified and reconciled on the cost report.
- The teaching adjustment is paid on a per diem basis for PIP providers.
- As stated in CR 3752, there is no authority to pay Indirect Medical Education to IPFs for Medicare Advantage beneficiaries, as is done under the acute inpatient prospective payment system.

Important Links

<http://www.cms.hhs.gov/medlearn/matters/mmarticles/2005/MM3809.pdf>

http://www.cms.hhs.gov/manuals/pm_trans/R545CP.pdf

<http://www.cms.hhs.gov/medlearn/matters/mmarticles/2005/MM3752.pdf>

http://www.cms.hhs.gov/manuals/pm_trans/R495CP.pdf